



Studies in the News

California Research Bureau, California State Library

July 24, 2019

Contents this week:

CULTURE & DEMOGRAPHY

62% of Californians unaware of legal penalties of driving under influence of cannabis

ECONOMY

Decline in U.S. startups tied to birth rates, interstate migration

EDUCATION

'STEM majors face greater wage penalties for choosing to teach'

EMPLOYMENT

Two studies take on the effects of raising the federal minimum wage

ENERGY & ENVIRONMENT

Business collaboratives explore 'viable pathways' on cutting greenhouse gas emissions

HEALTH

Study: private health plans pay hospitals 241% of what Medicare would pay

SCIENCE & TECHNOLOGY

Ransomware: Cities less likely than other victims to pay off hackers

CULTURE & DEMOGRAPHY

Perceptions on Impairment: Cannabis Consumers in Focus. Eaze. July 16, 2019. 12 p.

<https://cms-assets.eaze.com/content/2019/07/16211119/Eaze-Insights-Perceptions-on-Driving-Impairment-FINAL.pdf>

"Nearly half, 46%, who responded to a recent survey ... were unable to answer whether there exists a legal bloodstream concentration limit for THC, as there is for alcohol (there isn't).... Though a clear majority, 81%, were aware that it is illegal to drive under the influence of cannabis, a majority, 62%, also were unaware of the legal penalties that come with it.... Under California law, marijuana use and driving is a bit of a gray area.... '[T]here is no per se level at which a person is presumed to be under the influence as a result of marijuana use,' according to an Assembly Public Safety Committee analysis. That analysis was for Assembly Bill 127 ... which provides funding and authorization for the California Highway Patrol, and other law enforcement agencies, to study the effects of marijuana-impaired driving." ([Sacramento Bee](#), July 17, 2019).

ECONOMY

Demographic Origins of the Startup Deficit. By Fatih Karahan, et al. NBER. May 2019. 46 p.
<https://www.nber.org/papers/w25874> (Available to .gov accounts or from the California Research Bureau)

This paper examines the trend of the U.S. startup rate, measured as the share of new employers as a fraction of all employers. In 1979, the startup rate was 13%, while in 2007, before the recession, the rate was roughly 10%. “We propose a simple explanation for the long-run decline in the startup rate. It was caused by a slowdown in labor supply growth since the late 1970s, largely pre-determined by demographics. This channel explains roughly two-thirds of the decline and why incumbent firm survival and average growth over the lifecycle have been little changed. We show these results in a standard model of firm dynamics and test the mechanism using shocks to labor supply growth across states. Finally, we show that a longer startup rate series imputed using historical establishment tabulations rises over the 1960-70s period of accelerating labor force growth.”

EDUCATION

STEM Teachers Are in Most Need of Additional Pay. By Michael Hansen, et al. Brookings Institution. June 17, 2019. 7 p.
<https://www.brookings.edu/blog/brown-center-chalkboard/2019/06/17/stem-teachers-are-most-in-need-of-additional-pay/>

Researchers examined the “wage penalty,” i.e., what a person gives up in salary, for STEM (science, technology, engineering and math) teachers versus non-STEM teachers. The researchers found that “STEM majors face greater wage penalties for choosing to teach than their non-STEM counterparts at all points in their careers ... the difference in these wage penalties grows over time—about 15 percentage points during workers’ 20s and near 30 percentage points by their late 50s.” The researchers address concerns about equal pay for equal work, and suggest targeted approaches to incentives, such as loan forgiveness or one-time bonuses for hard-to-recruit subject areas.

EMPLOYMENT

The Effects on Employment and Family Income of Increasing the Federal Minimum Wage. Congressional Budget Office. July 2019. 52 p.
<https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>

“A bill to increase the federal minimum wage to \$15 an hour by 2025 would lift 1.3 million people out of poverty but also put an estimated 1.3 Americans out of work, the Congressional Budget Office projected on Monday.... The CBO projected smaller effects—both on employment and on poverty levels—if Congress raised the federal minimum wage to only \$10 or \$12 an hour.” The study acknowledges two points of uncertainty: wage growth rate under current law, and responsiveness of employment to a wage increase. ([New York Times](#), July 8, 2019).

Employment Effects of Minimum Wages. By Michael Christl, et al. Ifo DICE Report. SN 2511-7823. The Ifo Institute for Economic Research. 2019. 8 p.
<https://www.econstor.eu/bitstream/10419/199040/1/dice-report-2018-4-50000000004800.pdf>

Reviewing previous studies that look at the effect of increasing the minimum wage, the authors take on the seemingly contradictory message: employment levels appear to either increase or decrease, depending on the methods and data used. The conclusion from such contradictory results might be that “the employment effects of minimum wages may indeed be non-linear. This would imply that there is a certain level of the minimum wage that maximizes employment.... The presented results suggest that, at

low levels, minimum wages might in fact have a positive effect, as they stimulate job acceptance rates.... [However], we show that... [the] detrimental relation between high minimum wages and employment rates is particularly strong if accompanied by low productivity and/or by comparatively strict labour market regulations.”

ENERGY & ENVIRONMENT

***Pathways to 2050: Alternative Scenarios for Decarbonizing the U.S. Economy.* By Robert Lempert, et al. Center for Climate and Energy Solutions. 44 p.**

<https://www.c2es.org/site/assets/uploads/2019/05/pathways-to-2050-scenarios-for-decarbonizing-the-us-economy-final.pdf>

The Center for Climate and Energy Solutions, a collaborative of universities and policy think tanks, has begun a multi-year initiative to meet with leading companies to find “viable pathways for decarbonizing the U.S. economy.” The study presents scenarios that would bring together policymakers on the state, local, and federal levels, with the purpose of reducing emissions. The study describes three potential pathways to reducing U.S. greenhouse gas emissions 80% below 2005 levels by 2050: 1) international pressure in the form of carbon tariffs; 2) presenting economic opportunities to the business community; and 3) encouraging the development of technological innovation.

HEALTH

***Prices Paid to Hospitals by Private Health Plans are High Relative to Medicare and Vary Widely.* By Chapin White, et al. RAND. May 2019. 60 p.**

https://www.rand.org/pubs/research_reports/RR3033.html

This study found that in 2017, private health insurance plans paid more than twice (241%) what Medicare would have paid for the same services. The difference varies dramatically across the country, particularly at the state-by-state level. “[A]s national health expenses climb, this growing gap poses a serious challenge for lawmakers.... The difference between Medicare and private coverage rates matters substantially for the approximately 156 million Americans under age 65 who get insurance through work-sponsored health plans, researchers said. For them, higher hospital prices aren’t an abstraction. Those charges ultimately translate to individuals paying more for medical services or monthly premiums.” ([Kaiser Health News](#), May 9, 2019).

SCIENCE & TECHNOLOGY

***Early Findings: Review of State and Local Government Ransomware Attacks.* By Allan Liska. Recorded Future. May 10, 2019. 6 p.**

<https://www.recordedfuture.com/state-local-government-ransomware-attacks/>

“Cities have been hit with an increase in ransomware attacks in recent years since tight budgets have left them with outdated and hackable computer systems. But paying the ransoms to reverse the attack means putting money—taxpayer money—into the hands of nefarious hacking groups who probably will use it to target other victims.... A study from Recorded Future found that cities are actually slightly less likely to pay off ransomware hackers than other victims. Just 17% of the cities struck with ransomware in the study paid compared with about 45% of ransomware victims overall. That figure could change, though, as city officials draw lessons from major ransomware attacks in cities that didn’t pay.” ([Washington Post](#), June 21, 2019).

About the California Research Bureau

The California Research Bureau at the California State Library develops independent, nonpartisan research and analysis for the executive and legislative branches. We provide policy research, 50-state reviews, academic and media summaries, data analysis and much more. To learn more about us, or to obtain a copy of reports featured here, contact crb@library.ca.gov, or call (916) 319-2691.

To subscribe to *Studies in the News* and view past issues, visit our website at <http://www.library.ca.gov/crb/newsletters>.